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CEREMONY HONORING WOLE SOYINKA, NOBEL PRIZE WINNER

FL011750 Havana Tele-Rebelde Network in Spanish 1100 GMT 1 Jun 87

[Text] Wole Soyinka, winner of the 1986 Nobel Prize for Literature, has been given the Golden Insignia as illustrious guest of the City of Havana. Pedro Chavez, president of the People's Government of City of Havana Province, presented the award to the visitor, who is in Cuba to participate in the 22d Congress of the International Theater Institute, ITI, which begins today in the Palace of Conventions. Culture Minister Armando Hart Davalos attended the ceremony.

Born in Nigeria 48 years ago, Wole Soyinka is the first African to receive a Nobel Prize. He is also one of the African personalities to have struggled the hardest to establish the identity of the African nations.

Castro Bestows Medal

FL021510 Havana Tele-Rebelde Network in Spanish 1100 GMT 2 Jun 87

[Text] Commander in Chief Fidel Castro Ruz, president of the Councils of State and Ministers, has bestowed the Felix Varela Order, first degree, on Wole Soyinka, winner of the Nobel Prize for Literature and president of the International Theater Institute. The solemn ceremony was held at Cubanacan's protocol hall at midnight. Leaders of the Communist Party of Cuba [PCC] and the state attended the ceremony.

Cuban Culture Minister Armando Hart Davalos, said as he read the Council of State agreement, that Soyinka is a man who has personally involved himself in work supporting the peoples and creating valuable artistic work. The outstanding Nigerian intellectual asserted that he accepted the high distinction on behalf of Africa, in general, and his people, in particular. After decorating the distinguished novelist, playwright, and poet, our commander in chief warmly embraced Wole Soyinka.

INTERNATIONAL CONFERENCE ON CAMBODIA CONDEMNED

FL021635 Havana Television Service in Spanish 0000 GMT 2 Jun 87

[Text] The Cuban Embassy in the PRK has condemned the third international conference on Cambodia slated for July. This is the third time that China, with the complicity of Taiwan and the United States, has convoked a meeting in support of the so-called Coalition Government of Democratic Kampuchea; that is, Pol Pot and his followers.

(Mau Hoo), charge d'affaires of the PRK Embassy in Cuba, has denounced the true purpose of this meeting and the consequences it will entail. [Begin recording of (Mau Hoo), speaking in Spanish] This conference is an ill-intentioned move that will provoke confrontation and tension, that will clash with the attempts at dialogue. It will create an obstacle in the search for a solution to the problem of Cambodia and Southeast Asia. It will continue the interference in the internal affairs of Cambodia and abet the Pol Pot people. [end recording]

MALMIERCA, KIPRIANOU DISCUSS TURKISH ISSUE

FL022245 Havana Radio Reloj Network in Spanish 2133 GMT 2 Jun 87

[Text] Cuban Foreign Minister Isidoro Malmierca was received today by Cypriot President Spiros Kiprianou, with whom he discussed the international situation and the Cyprus issue. Malmierca said the contact group of the Nonaligned Movement, which will soon begin talks, will examine the Cypriot problem of the illegal occupation of its territory by Turkish troops.

Cypriot President Kiprianou also called the tragic death of Lebanese Prime Minister Rashid Karami a serious blow to Lebanon and a loss to the international community.

In a message sent to Lebanese President Amin al-Jumayyil, the Cypriot president expressed his deepest concern at learning of the abominable assassination of Prime Minister Karami.

RISQUET RECEIVES NORTH KOREAN OFFICIAL

FL020420 Havana Tele-Rebelde Network in Spanish 1230 GMT 1 Jun 87

[Text] The delegation headed by Chu Hyon-ok, member of the Workers' Party of Korea Central Committee, deputy of the Supreme People's Assembly, and chairman of the Radio and Television Committee of the DPRK, has been received by Jorge Risquet Valdes, member of the Politburo and Secretariat of the Communist Party of Cuba Central Committee.

600 TONS OF SUGAR SPILL IN TRAIN ACCIDENT

FL021851 Havana Radio Rebelde Network in Spanish 1700 GMT 2 Jun 87

[Text] Approximately 600 tons of unrefined sugar spilled alongside the railroad tracks near the community of Placetas, Villa Clara Province, when a railroad car pin broke and several cars derailed. Locomotive 4702 was pulling approximately 30 railroad cars loaded with sugar which was being taken to the bulk terminal in Cienfuegos, when the mishap occurred.

Central Division Railroad workers are now engaged in voluntary work, recovering the sugar and packing it in bags to prevent economic losses, since this is an export product. It is expected that railroad traffic will be restored late this afternoon or early this evening along the main line between Santa Clara and Placetas. Due to the accident, traffic is being detoured through the northern line.

GROBART LEAVES PARTY POST; GRANMA GETS NEW CHIEF

FL011216 Havana Tele-Rebelde Network in Spanish 1100 GMT 1 Jun 87

[Text] At a routine meeting on 28 May, the Communist party of Cuba (PCC) Politburo considered the advisability of merging several institutions.

These have been engaged in historical research and dissemination, so this important scientific, ideological, and political work will be carried out more harmoniously and coherently, thus fostering the more rational and efficient use of human potential and the resources available to each institution separately. These institutions are the History of the Communist Movement and Cuban Socialist Revolution Institute, the FAR's Military Studies Institute, and the Cuban Academy of Sciences' Institute of History Sciences.

Comrade Jorge Enrique Mendoza Reboredo, who has performed commendably as director of the newspaper GRANMA for the past 20 years, has been appointed to head the new institute. Comrade Mendoza will chair the committee that will carry out the merger. Daysi Rivero Albiza, vice president of the Academy of Sciences; Colonels Manuel Lopez Diaz and Cristobal Marrero, of the FAR; and Luis Serranos Perez, a history sciences doctoral candidate and official of the PCC Central Committee, are also members of the committee. Enrique Roman Hernandez has been promoted to director of GRANMA, the PCC's offical organ. Comrade Roman began his journalistic career on the GRANMA staff in 1966. He was director of the magazine MONCADA and of the Cienfuegos newspaper CINCO DE SEPTIEMBRE. More recently, he was the deputy chief of the PCC Central Committee's Department of Revolutionary orientation in charge of mass communications media.

The PCC Politburo also decided to express gratitude for the work carried out by Comrade Fabio Grobart as chief of the History of the Communist Movement and Cuban Socialist Revolution Institute, to which he has devoted himself since its founding. Comrade Grobart, who after the PCC Congress had consulted the party about the possibility of being relieved from his post because of his advanced age, will continue to contribute his invaluable cooperation and experience to the PCC Central Committee.

CASTRO ATTENDS RADIO-TV ANNIVERSARY CEREMONY

FL231326 Havana Radio Reloj Network in Spanish 1202 GMT 23 May 87

[Excerpt] Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, attended the main ceremony marking the 25th anniversary of the ICRT [Cuban Institute of Radio and Television] held at the Karl Marx Theater last night. During the event, Gennadij Codr, secretary general of the International Radio and Television Organization (OIRT), presented to Ismael Gonzalez, member of the PCC Central Committee and president of the ICRT, an honorary medal conferred to our organization. The ICRT leader handed the medal to Fidel while the audience gave a standing ovation. [passage omitted]

NEW STATION SHOWS URNG 'CONSOLIDATION, STRENGTH'

PA282126 Havana International Service in Spanish 2300 GMT 26 May 87

[Commentary by Amalia Sanmartino]

[Text] Greetings, friends. As a sign of the consolidation and strength of the guerrilla movement, La Voz Popular, the official UNG station, has just begun its transmisions.

In its first communique, the station urged the country's sectors to build a free, sovereign, and peaceful homeland.

From now on La Voz Popular, whose transmission is a landmark in the history of the struggles of the long-suffering Guatemalan people, will have the difficult task of objectively reporting all matters that concern the country's policies, as well as the actions by the leaders and the sectors in power. The URNG announced this in its first program, aired from Sierra Madre and heard throughout the territory and nearby regions.

In its first program, aired in Spanish and Mam, 2 of the 23 languages spoken in Guatemala, La Voz Popular reported the alliance of the civilian government with the top Army command to support the U.S. policy in Central America.

Regarding this, the URNG station noted, the government's economic policy is aimed at protecting the interests of the oligarchy and the top Armed Forces commanders. It accused them of continuing their kidnappings and murders. Undoubtedly, La Voz Popular has a great informative mission. In its first program, the station showed that this is true when it read a lengthy document about the guerrilla actions -- in which the government sustained 285 casualties -- that have been carried out so far in 1987.

In addition to its informative mission, La Voz Popular shows the strong determination of the popular forces which, amid the uninterrupted repression, are marching along the path to freedom with a firm step.

Despite the large difficulties and sacrifices they have faced in recent years, the Guatemalan rebels -- whose ranks comprise men and women of the most varied sectors who are fighting arm to arm -- are giving more proof of their willingness to win.

CHILEAN REBEL ON SECRET PINOCHET DOCUMENT

PA290133 Havana International Service in Spanish 2300 GMT 27 May 87

[Text] In Havana, Roberto Torres, foreign representative of the Manuel Rodriguez Patriotic Front, has presented a secret document of the Chilean Armed Forces showing the extent of the aggressive plans of the Augusto Pinochet fascist regime against the opposition.

The document entitled "Interior Security Plan of Santiago," was stolen from the Army Staff. It describes the Chilean Catholic Church, labor groups, and political parties as internal enemies of the regime. The document also details intimidation measures to be taken against them.

The detailed repressive plan also specifies the weapons to be used by the Armed Forces to repress popular demonstrations and intelligence tasks to be carried out by the regime in an attempt to divide the opposition.

COMMENTARY ON ROLE OF MILITARY IN CHILE

PA290233 Havana International Service in Spanish 2300 GMT 27 May 87

["Our America" commentary read by Manolo Ortega]

[Text] Since the 1960's, several Latin American countries have been the victims of a policy implemented by the armed forces which, in most cases, have seized power through coups d'etat and whose main actions try to consolidate a social and economic system based on the national security doctrine promoted by the United States.

Although it is true that some nations are no longer ruled by the military, the pressure they exert over civilian governments is very evident. However, on this occasion, we wish to refer to Chile, a country in which the intervention of the Armed Forces in ruling the state, and their ideas about politics, economy, and culture, brought about the worst human rights violations and an excessive arms buildup.

Under the negative influence of the national security doctrine, Chilean fascists are proclaiming and promoting a radical depoliticalization of society, censorship of the media, and are granting broad powers to police and military organizations to implement repression, including kidnappings and tortures.

The Chilean Armed forces gained power in 1973 after ousting the Popular Unity government headed by Salvador Allende in a bloody coup d'etat. Shortly after, expenditures for weapons imports increased from $7 million to $7.3 billion. The increasing arms buildup from 75,000 men in 1973 to 125,000 today.

It is very clear that expenditures caused by investments in weapons and the support of the entire military personnel cause a significant decrease in funds targeted for social tasks. That is how state allocations for education and public health -- to mention only two important aspects in the country's life -- have been considerably decreased.

The increasing militarism in Chile tries to create in the population a conservative thought without social conscience. To carry this out the military must excessively and constantly use war procedures. The militarization and rising arms buildup in Chile not only decrease resources and lead the people to extreme poverty, but also try to transport the entire society through what is called a culture of death.

As a result of this, the application of the national security doctrine is accompanied by a constant violation of human rights and creates an atmosphere of fear and suffering among all the people.

Large-scale popular demonstrations, which have been taking place for the past few years in Chile, show the people of that country possess a great strength capable of defeating fear and building the culture of peace.

CHILEAN OPPOSITION LEADER ON PROBLEMS IN COUNTRY

PA292226 Havana International Service in Spanish 0000 GMT 29 May 87

[Statement by Miguel Beltran, president of the Chilean Committee of Solidarity with the Anti-fascist Resistance; place, or date not given -- recorded]

[Text] Twenty-eight May has been declared an international day of solidarity with our people. Many subjects are appropriate for discussion on this day, but the main topic is the rejection aroused by Pinochet's fascist dictatorship because of the systematic violation of human rights in our country. I can say that at present our country is trying to find unity within the existing diversity of opinion and ideology. In this regard it is clear that the problem of the exiled comrades is added to the systematic violation of human rights. No one can prevent one from living in his own country. Therefore, they are very special prisoners. They are not accused of anything. They want to live in their country, but the Pinochet regime denies them this right.

I know of other activities that the people are carrying out in response to this, and I can see that there is support for this initiative, the heroic initiative of Comrade Almeyda, Comrade Julieta, and Comrade Mireya; there has been great national and international solidarity. In this international campaign of solidarity with our people, the issue of exile is the leading problem. Hundreds of thousands of Chileans are exiled as a result of the repression which has lasted more than 13 years. Some people are still leaving the country because of security and economic problems. Hundreds and hundreds of Chileans face this.

Along with the problem of the comrades who have been working clandestinely, the general problem of exile, and the human rights violation problem, we must add the judicial branch problem, which I can say has not been resolved -- neither the judicial branch problem, nor the cases of the missing people, the murdered people, the burned people -- but the government is hastening the trial against the comrades sentenced to death and the trials of the comrades who have entered the country illegally. All in all I can see where the dictatorship leans on these types of organizations and, unfortunately, there are people who lend themselves to this.

CHILE ORDERS ARREST OF 3 OPPOSITION REPORTERS

PA310303 Havana International Service in Spanish 2300 GMT 30 May 87

[Report by Maruja Garcia]

[Text] The military regime of Chile has ordered the arrest of three journalists of the opposition media in an effort to prevent reports on crimes, torture, and all sorts of human rights violations that take place in Chile.

One of these journalists, Juan Pablo Cardenas, director of ANALISIS magazine, has been sentenced to 541 days in prison after having been charged with defaming General Augusto Pinochet, the chief of the regime.

Meanwhile, the director and a journalist of the opposition daily FORTIN MAPOCHO, Felipe Pozo and Silver Palacios, respectively, are under arrest awaiting a trial they will face for allegedly having violated the military justice code, thus offending the Armed Forces.

The measure adopted by the Chilean authorities has been condemned by various Chilean organizations and journalistic entities.

The workers of ANALISIS have issued a communique in Santiago charging that the arrest represents an attack on freedom of the press and a new step by the military regime against journalists. The communique recalls that last year the military regime murdered journalist Jose Carrasco, an international director of ANALISIS, because he reported violations of human rights in Chile.

According to a document issued by the Latin American Federation of Journalists, in the past 16 years 212 journalists have been murdered in Latin America and another 145 are missing.

The federation has affirmed that in countries with military regimes, such as Chile, the record of crimes committed against those opposed to the repressive policies of those systems is bigger.

CURRENT PARAGUAYAN POLITICAL SITUATION VIEWED

PA011430 Havana International Service in Spanish 2300 GMT 31 May 87

["Our America" commentary; reader unidentified]

[Text] While the tension between Alfredo Stroessner's dictatorship and the traditional political opposition undergoes the customary ups and downs as the election date approaches, a new and decisive force is emerging independently among the people. That broad sector is reaffirming itself each day as the real alternative for the popular masses in facing a regime that has remained in power for 33 years. That alternative is the only hope for almost 70 percent of the current Paraguayan population.

The occupation of land in the Parana highlands, the peasants' determination not to yield to the power of the landowners and the Army, and their slogan (It is better to be sent to jail for working than for stealing) indicate that the Paraguayan farmlands have become a boiling sector, as more than half of the population are farmers.

Meanwhile, in the cities, new labor and community organizations have emerged. These organizations are trying to face the regime's abuses on their own, totally separated from the hackneyed path followed by the so-called traditional opposition.

As far as Washington is concerned, it seems that Stroessner continues to be its playing card for the 1988 elections, in view of the obvious rifts among the traditional sectors.

Following a police raid on a party organized by ladies of the bourgeoise in favor of the so-called democratic reorganization of the country, in which U.S. Ambassador in Asuncion Clyde Donald Taylor was participating, Washington -- which had been flirting with the traditional opposition until then -- changed its tactics in dealing with the Paraguayan situation, to the point that U.S. policy in that country is classified locally as before and after the tear gas. Although Taylor had insisted before the incident on approaching the opposition sectors as an alternative for change, he has since been asked to stop flirting with groups having no political coordination, and to concentrate on changing the dictatorship's image. It is because of this that Stroessner ordered an alleged suspension of the state of siege that has been in effect in the country for decades, and a limited amnesty and the return -- also selective -- of figures currently in exile.

Despite the coarse maneuvers that are really aimed at the international public, the truth is that domestically, the regime has no other reply than prolonged violence in facing those who are really destined to be Paraguay's future: hence the implementation of brutal measures such as a permanent siege around the land occupied by peasants, in an attempt to force them to succumb as a result of hunger and isolation.

Observers have stressed that what is important is that the dull offers of petty politicians have no value in the eyes of the Paraguayan masses, and that those masses, by themselves, seem determined to promote their own fighting instruments.

MACHADO VENTURA CLOSES YOUTH SEMINAR ON TOURISM

FL291955 Havana Radio Rebelde Network in Spanish 1700 GMT 29 May 87

[Report by Gloria Maria Pineiro]

[Text] Jose Ramon Machado Ventura, member of the PCC Politburo, has made the closing remarks at the third seminar of the first secretaries of provincial and municipal committees of the Union of Young Communists [UDC] who have been meeting since Monday at the Julio Antonio Mella Cadre School. Machado stated that the usefulness of the seminar should be seen in daily work and in the persistent search for solutions to any problem. We should not resign ourselves to less, he said. He added that it is not a matter of merely discussing a situation; we have to be capable of reaching a solution and assign the correct role to each cadre, whether from the party, the UJC, or the administrative organs. He declared that this kind of seminar has evolved to the country's benefit and confirmed the trust placed on the UJC, first in the congress and then in this seminar, that it can face any task.

Tourism and services were discussed at this session, as well as the deficiencies showing up in both sectors. It was said that the UJC must confront these with exigency and combativity.

Jaime Crombet, member of the PCC Central Committee Secretariat, and Rafael Sed, president of the INTUR [National Institute of Tourism], addressed the participants of this seminar, which was also presided over by Roberto Robaina, member of the PCC Central Committee and first secretary of the UJC.

INTUR PRESIDENT NOTES INCREASED TOURISM

FL030112 Havana Radio Rebelde Network in Spanish 2300 GMT 2 Jun 87

[Text] During the past few years, international tourism in Cuba has grown annually by 10 percent. This was reported by Rafael Sed Perez, president of the National Institute of Tourism, at the inauguration today of the Eighth Cuba-87 Tourism Convention in Varadero.

He said this increase in tourism will grow in the coming years and in response to demands for accommodations, the construction and remodeling of national hotels will be promoted.

In 1986, approximately 200,000 tourists visited Cuba and the freely convertible income resulting from this exceeded about $100 million. From January to May of this year, 85,000 tourists visited Cuba and the plan to capture more income proceeds satisfactorily.

MACHADO VENTURA ON RECTIFICATION AT PCC PLENUM

FL021859 Havana Radio Progreso Network in Spanish 1100 GMT 2 Jun 87

[Text] Jose Ramon Machado Ventura, member of the Communist Party of Cuba [PCC] Politburo, has made the closing remarks during the special plenum of the PCC Central Committee in Pinar del Rio. He said that a year after the process of rectification of mistakes and negative tendencies in the economy and society began, great progress can be noted. He added that many of the problems have been overcome, others that require previous conditions have begun to be solved, and many others need to be dealt with firmness, intelligence, and audacity.

VEIGA COMMENTS ON ROLE OF VOLUNTARY WORK

FL021648 Havana Tele-Rebelde Network in Spanish 1100 GMT 2 Jun 87

[Text] Roberto Veiga, member of the PCC Politburo and secretary general of the CTC [Central Organization of Cuban Trade Unions] has stated that voluntary work, in addition to contributing to the country's economic development, constitutes one of the most significant ways of training the masses by helping to strengthen the workers' revolutionary consciousness. Veiga participated in a labor leaders meeting in Guantanamo Province where he called for the revitalization of this important activity.

BARBADOS

POST MORTEM REVEALS BARROW DIED OF HEART ATTACK

FL021707 Bridgetown CANA in English 1647 GMT 2 Jun 87

[Text] Bridgetown, Barbados, June 2, CANA -- Barbados Prime Minister Errol Barrow who died suddenly at home yesterday succumbed from a heart attack, a post mortem revealed today.

His successor, former Education Minister Erskine Sandiford, made the announcement in a brief sitting of parliament following the swearing in of the new cabinet at Government House. Sandiford said a state funeral would be held June 9.

The late prime minister's body will lie in state and a condolence book will be open for signature from June 4 at parliament, government headquarters and the offices of Barrow's Democratic Labour Party [DLP].

Foreign minister and co-founder of the DLP, Sir James Tudor, has been named to head a committee to plan and coordinate arrangements for the funeral.

JAMAICA

GUYANA SIGNS TRADE COOPERATION AGREEMENT

FL290310 Kingston Domestic Service in English 2300 GMT 28 May 87

[Text] An agreement has been signed between Jamaica and Guyana for mutual cooperation in the expansion of trade between those countries. The signing took place yesterday between the JNEC [Jamaica National Export Corporation] and the Guyana Export Promotion Council and was announced today by trade and Industry Minister Hugh Shearer at a luncheon for the visitng Guyanese trade mission.

A release from the JNEC said the agreement marked a significant step in facilitating [word indistinct] contracts between businessmen of both countries, encourage the exchange of trading [word indistinct] for the respective markets, and improve communication through trade publications.

The agreement also provides for two-way [word indistinct] in market research and [words indistinct] the procedures of these countries trade commissions.

SEAGA REPORTS 8 PERCENT ECONOMIC GROWTH

FL290247 Kingston Domestic Service in English 2300 GMT 28 May 87

[Text] Prime Minister Edward Seaga said this morning that the economy had achieved a record growth rate of eight percent in the first quarter of this year. Mr Seaga was speaking at the breakfast in honor of his 67th birthday at the Pegasus Hotel. He said this [words indistinct] was achieved without the benefit of any divestment proceeds and was achieved after the IMF agreements were signed in January.

Mr Seaga said the country's performance was so impressive that the team from the IMF, which visited the island last month, was unable to find any room for arguments in their report. He said that the IMF has also prepared an amendment to the agreement with Jamaica endorsing the expenditure and the tax bill project which had gone beyond [word indistinct] indicated in the original agreement.

ST LUCIA

PARLIAMENT OPENS; REGIONAL UNITY URGED

FL271536 Bridgetown CANA in English 1715 GMT 26 May 87

[By Ernie Seon]

[Text] Castries, St Lucia, May 26, CANA -- The John Compton administration pledged today to work toward a united Caribbean.

In a speech to declare open a new session of parliament following last month's general elections, Acting Governor General Vincent Floissac reitarated government's plans to pursue the formation of a political union among the Organisation of Eastern Caribbean States [OECS].

He said true nationhood and real social and economic advancement of the region can be achieved only within the framework of a united Caribbean.

Government will continue to strive for the attainment of this goal. My government is currently in discussion with other governments of the OECS to discover upon what basis and within what timetable can this goal be realistically achieved, Floissac said. He said that on this issue as on other issues of national importance, it is the administration's intention to keep the opposition informed and in dialogue.

Floissac, acting as head of state following the retirement of Sir Allen Lewis, said that the success of government's development programme can be fully realised only if its policies have the fullest support of all St Lucians. In this regard government will continue to strive for national unity and pledges to be a government of all the people of St Lucia regardless of party or political affiliation.

Compton's United Workers Party twice won election last month with a slender 9-8 majority over the Labour Party.

Floissac said government will appoint a national economic commission to in economic planning. [sentence as received] Government will also strive to activate the tripartite commission comprising of government, the private sector and the trade unions, to ensure the widest possible range of knowledge, experience and interest are canvassed on national, economic and social issues, Floissac said. He said in order to make St Lucia an attractive area for investment, government will carry out a comprehensive review of all the incentive legislation and remove red tape.

Government also announced plans to encourage the private sector to attend to the problem of housing, through generous incentives in a housing development bill, and a thorough undating of income tax laws to make them fair and equitable. It was also announced that legislation was in place to make imprisonment mandatory for persons convicted of using or selling narcotic substances.

TRINIDAD AND TOBAGO

TRADE UNIONS PROTEST 'LINKING' WITH DRUGS

FL281331 Bridgetown CANA in English 1213 GMT 26 May 87

[Text] Port of Spain, Trinidad, May 26, CANA - The trade union umbrella Council of Progressive Trade Unions (CPTU) is upset over statements made last week by Prime Minister A.N.R. Robinson linking protests in the country with the illegal drug trade.

Commenting on reaction to his five month-old administration's crackdown on drugs, Robinson had said that the major drug dealers were behind some street demonstrations in the country.

Mr. Prime Minister, it is the view of the CPTU's executive and members of our trade unions that your statement clearly linked the trade union movement and its leaders with drug leaders in the country and inferred that the protests over the removal of cost of living allowance (COLA) was not genuine but an attempt by drug dealers to destabilise your government, the CPTU said in a letter to Robinson yesterday.

The call for clarification of the statements follows similar demands last week by the Public Services Association (PSA) which had organised a number of protests following government's removal of a retail index linked cost of living allowance from public servants in January.

How could you, Mr. Prime Minister, interrelate the genuine workers struggle with drug dealings and corruption and put the entire trade union movement in this country into disrepute? The CPTU letter said noting the trade union position against drugs.

During the last fifty years, the workers movement has fought for adult domination [as received] and for true independence. Why did you mention the struggle of the workers in the same breath with the evils of the nation-wrecking drug trade? the grouping said.

PRESIDENT DIRECTS CORRUPTION ENQUIRY BE PUBLIC

FL231525 Bridgetown CANA in English 2233 GMT 22 May 87

[Text] Port of Spain, Trinidad, May 22, CANA -- Trinidad and Tobago President Noor Hassanali today directed that a top-level team looking into official corruption hold their enquiry in public.

Hassanali spoke after swearing in the commissioners who have been mandated to review six projects formulated under the previous government, defeated in general elections last December.

The president urged the commissioners to try and keep hearings public except to the extent to which it may be found necessary to hold part of the enquiry in private.

A statement from the new secretary to the three-member commission today outlined terms of reference which are the same as those announced in parliament earlier this year despite opposition pressure for additional projects to be taken into consideration.

The statement, which follows controversy here over publication of a report on drug abuse put together in private without consultation with persons named, said that those implicated in the matters being investigated before it will be allowed legal representation and given time to present evidence at public oral hearings.

Although the commission was today given the mandate to begin the enquiry immediately, it said that hearings would not start at once giving those called time to prepare cases.

Documentary work, however, has already begun and the team said it would soon give notice of a preliminary hearing date and an account as to how it planned to proceed.

The team, under the chairmanship of senior counsel, Senator Allan Alexander, will look into the purchase of McDonnell Douglas DC-9 aircraft by national airline BWIA in 1976. Allegations of bribery later marred the deal.

Other projects to be examined include the formation of a joint venture oil company in 1969 with the Trinidad and Tobago Government and Texan Company Tesoro now also the subject of enquiry in an American court, government's unfinished billion dollar medical complex in St Augustine, and agreements for construction of a never-started racing complex in central Trinidad which also became the subject of bribery charges involving former minister, the late John Ohalloran.

The other two projects up for consideration are the development of government's heavy industry site in central Trinidad and the formation of loss-making iron and steel company -- Iscott.

Other members of the team sworn in today were president of Grenada's appeal court, J.O.F. Haynes, and English queen's counsel, Louis Blom-Cooper, who led a London-appointed enquiry into official corruption in the Turks and Caicos Islands which led to the collapse of that country's government in July 1986.

PROGRAMMING SECRETARIAT REPORTS BALANCE OF TRADE

PA301910 Mexico City UNOMASUNO in Spanish 26 May 87 pp 1, 15

[Report by J. Antonio Zuniga M.]

[Text] The Secretariat of Programming and Budget [SPP] reported yesterday that the surplus in the country's balance of trade up to April was $2,872,700,000. This is a 171-percent increase over the surplus recorded in the same period last year.

The SPP said the improvement in Mexico's trade exchange with foreign countries was mainly the result of a 42.2-percent increase in the export of manufactured goods. These sales increased from $2,274,100,000 in the first 4 months of 1986 to $3,233,800,000 from January to April of this year.

Revenue obtained from Mexican exports rose to $6,667,700,000. Of this total, 40 percent was from extractive industries, principally from crude oil sales; 48.5 percent from exports of manufactured goods; and the rest from the sale of agricultural and livestock products.

Meanwhile, purchases abroad totaled $3,626,300,000. This marks a drop of 10.4 percent in imports compared to figures for January to April 1986. Of the total purchases, 87.5 percent was used to purchase goods connected with the manufacturing industry; 10.2 percent was spent on food and agricultural and livestock products; the rest mostly on mineral products.

The secretariat said that the share of foreign exchange generated by the export of our three main agricultural export products -- cotton, coffee beans, and fresh tomatoes -- decreased. Meanwhile, grain -- corn, sorghum, wheat, and soy -- imports increased between 80 and 278 percent.

The growth rate of imports of capital goods was virtually unchanged, the SPP said, noting that acquisitions of machinery and equipment between January and April were $730.7 million, 29.3 percent less than in 1986. Of this total, 73 percent was purchased by the private sector and the remaining 27 percent by the public sector.

Foreign purchases of auxiliary raw materials, indispensable in the operation of the national productive plant, also decreased 1.7 percent. These totaled $2,675,400,000 or 70.5 percent of imports.

Oil exports produced a revenue of $2,509,800,000. This is 35 percent more than the revenue obtained during the same period in 1986.

The SPP said that the balance of trade surplus is growing every month. The surplus in January was 74.5 percent higher than that in January 1986; in February, it was 200 percent higher; in March, it went up to 226.2 percent; and in April, the balance of trade surplus was 354 percent higher than the surplus in April 1986.

ARIAS SAYS CASTRO 'WANTS DUARTE UNSEATED'

PA022006 San Jose LA REPUBLICA in Spanish 27 May 87 p 9

[Report by Danilo Arias Madrigal]

[Text] Bonn -- According to President Oscar Arias, Fidel Castro wants Jose Napoleon Duarte unseated.

At a news conference in Bonn, the president offered details of how 8 years ago, Castro united the various forces within the resistance against General Somoza.

"Today, Castro, who has already achieved what he wanted in Nicaragua, presents himself to the world as a moderate."

However, "he has his eyes on another Central American country, El Salvador."

One of Arias' explanations, which did not come across clearly at a meeting with businessmen, was used by one reporter who ask him "if Costa Rica is going to reestablish its army."

In response to the question, Arias smiled as if to say to himself: What can I do to eliminate this misinformation campaign?

The president "armed himself with patience" and explained the facts to the reporter: "If the war in Nicaragua continues and if, for some unfortunate reason, Costa Rica were to become involved, there would be domestic and foreign pressures for the country to defend itself."

Arias said: "That, among other things, is why we are so stern, so strict concerning Nicaraguan activities in Costa Rica. We do not allow a single inch of national territory to be used by the so-called contras."

"We will maintain the country's neutrality at all costs."

"We must prepare our policemen, who are humble workers. If we train them, some sectors say (to discredit the country) we are becoming militarized. If we do not train them, they say that 'we are tolerant, etc.'"

The topic of the Nicaraguan situation emerged at once in the news conference.

Arias explained that the Nicaraguans are ambiguous in their actions, saying one thing and doing another.

He explained how the Sandinists are capable of receiving support from democratic and communist regimes.

Concerning eventual peaceful coexistence between the Sandinists and Costa Rica, President Arias responded: "I cannot believe the Nicaraguan people will give up the desire, the hope of some day enjoying liberty."

Arias stressed: "With or without contras, as long as the people cannot choose the kind of government they want they cannot choose peace.

"Costa Rica is against any form of tyranny. It is difficult to imagine a communist Nicaragua that will not affect the rest of Central America."

Arias said communists have a history of occupation in various countries: "Mozambique, Czechoslovakia, Vietnam, etc."

Regarding Nicaragua's complaint against Costa Rica at The Hague, the Costa Rican president said "if they (the Nicaraguans) want to withdraw the complaint, they can do so. We are not asking them for anything. If they withdraw it, they will do so on an unconditional basis."

Arias said it would be to the advantage of both Costa Rica and Nicaragua if the complaint did not exist; the money, the millions that are being spent could be used to construct roads and schools." [quotation marks as published]

Arias concluded by saying: "Costa Rica will not be able to grow as it did before as long as there is a war in Nicaragua.

PRESIDENT ARIAS PAYS 4-DAY VISIT TO FRG

For reportage on President Oscar Arias' visit to the FRG, including his meetings with President Richard von Weizsaecher, Chancellor Helmut Kohl, Foreign Minister Hans-Dietrich Genscher, see the Federal Republic of Germany section of the 28 May Western Europe DAILY REPORT and subsequent issues.

BRIEFS

NEW RADIO STATION -- During the recent Costa Rican presidential delegation's trip to Spain, an agreement was signed by the foreign ministers of both countries to establish Radio Internacional of Costa Rica, a radio station that will operate with shortwave equipment donated by the Spanish Government. Radio Internacional will not be a repeating station; it will broadcast its own programs. [Summary] [San Jose LA REPUBLICA in Spanish 15 May 87 p 49 PA]

AMBASSADOR TO NICARAGUA -- Farid Ayales Esna presented his credentials yesterday as new Costa Rican ambassador to Nicaragua to President Daniel Ortega and Foreign Minister Miguel D'Escoto. The ceremony took place at the Cesar Augusto Silva Conventions Center in Managua. [Summary] [San Jose LA NACION in Spanish 22 May 87 p 4 PA]

ACEVEDO EXPLAINS 20-POINT FOREIGN POLICY PLAN

PA030049 San Salvador Canal Seis Television in Spanish 2330 GMT 31 May 87

[Report by Roxana Lemus]

[Text] During an interview today with this station, Salvadoran Foreign Minister Ricardo Acevedo Peralta explained the goals of the government's foreign policy and plans for the next 2 years. The outline for our country's foreign policy during the next 2 years of President Jose Napoleon Duarte's government calls for diplomacy based on neutrality and democracy. The advances and achievements reported in the past 2 years of foreign policy have been based on (?three) specific goals: Supporting the initiative for democracy to achieve regional peace, strengthening the government's (?revolutionary) and progressive image, and improving the human rights situation in the country. In addition to these specific goals, the government has drafted a 20-point plan to be developed in the next 2 years of the Christian Democratic government.

[Begin Acevedo recording] The 20 points, or goals, that represent a strategic action plan on the part of the Foreign Ministry are:

1. To open new Salvadoran consulates in the United States to better serve our citizens.

2. To publish all current international treaties between El Salvador and other countries.

3. To resolve, within the next 2 years, the border problem with Honduras. If possible, we will try to resolve it directly with Honduras. Otherwise, we will go before the International Court of Justice in The Hague.

4. To achieve regional peace through the Arias plan or through the Contadora Group document.

5. To complete the demarcation of areas that border Honduras.

6. To draft a regional treaty on refugees and repatriation with the help of the UNHCR [United Nations Office of High Commissioner for Refugees] and the CIDH [Inter-American Human Rights Commission]

7. To abolish the duties of the special human rights rapporteur in El Salvador.

8. To host the next OAS General Assembly, which is scheduled for 1988, in El Salvador. Negotiations are underway to achieve this.

9. To host the San Jose meeting between the EEC and the five Central American countries in El Salvador in 1989. Negotiations are also underway to achieve this.

10. To create an administrative deputy ministry. The last phase of this plan is currently being studied.

11. To improve, with our limited monetary resources, communications between Foreign Ministry diplomatic missions abroad and their foreign host countries. To achieve this we have created the new position of ad interim culture and communications general director, and appointed Mauricio Gonzalez Vilar to this post, a former ministry adviser and career diplomat.

12. To improve domestic communications, including communications with the Salvadoran media and correspondents accredited in El Salvador.

13. To invite prominent international personalities to visit El Salvador, which is a current practice. The Spanish deputy foreign minister will be arriving on 6 June. We have also invited the Uruguayan, Dominican, and Colombian foreign ministers. All this is within the framework of the strategy to promote El Salvador and invite prominent international personalities to visit our country to obtain first-hand information about our situation.

14. To draft a peace and cooperation treaty for the Gulf of Fonseca. We are attempting to turn the 3-way border into an area of peace and cooperation among the three bordering countries, and we would also like to create an area of peace and cooperation in the Gulf of Fonseca. This can be done through a joint cooperation plan that will contribute to the joint exploitation of the Gulf of Fonseca's resources.

15. To issue a detailed document on foreign policy. The Foreign Ministry has no such document. We are gathering information from the experiences gained in the past (?3) years; we are reviewing our diplomatic commitments with other countries in an attempt to have a Salvadoran foreign policy manual, a document on Salvadoran foreign policy. We are working very hard to formulate this document.

16. To implement a new diplomatic service law and consular service law. These bills have been approved by the presidency and will be presented shortly to the Legislative Assembly.

17. To draft an intergovernmental strategy that will help us receive the Salvadoran immigrants who may return from the United States or any other country.

18. To draft a strategic plan to strengthen our ties with the Caribbean. We have ignored the Caribbean and have not been able to implement a political or economic cooperation system with them. We are drafting a plan that will be carried out shortly by the deputy foreign minister. This will strengthen our relations with the Caribbean.

19. To resume our diplomatic relations with Egypt and the Arab community.

20. To publish a document on President Duarte's foreign policy. This document will clearly show Salvadorans all that President Duarte did during his tours of South America, Europe, and the other countries he visited. [end recording]

The foreign minister added that the difference between President Jose Napoleon Duarte's foreign policy and past foreign policy is that today we have a real foreign policy, the political platform of an ideological government.

FARABUNDO MARTI ON DUARTE ADMINISTRATION

PA030213 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2200 GMT 1 Jun 87

[Text] On this 1 June, Duarte is celebrating the 3d anniversary of his administration amid the worst political isolation in history and the worst economic, political, and military crisis faced by the Christian Democratic government so far.

Duarte is marking his 3d anniversary in government under pressure from the strength of the people; his demagogical and repressive policy has been worn off and exposed, and his military plans have suffered great defeats. In fact, the failure of the Duartist political plan is also a defeat of the Yankee counterinsurgency plans in our country.

Duartism has nothing else to offer the people because it is neither capable nor willing to resolve the national crisis. These 3 years with Duarte as president have been 3 bitter years for the great majorities on whom Duarte has placed the greatest burden of the war. He has done so by imposing on them the unpopular packaged swindles that are maintaining our working people in destitution and a state of social neglect.

Duarte's speeches have nothing to offer. Duarte can convince no one; he can satisfy no one. The dirty war against the people being promoted by Duarte, the High Command, and the gringos have made them deserve the total repudiation of all sectors in the nation, including those that supported Duarte during the past presidential elections; day by day, those sectors are increasingly and actively joining the vigorous popular movement. They are developing higher levels of struggle to topple Duarte.

There is no patriotic or honest person left in this country who supports Duarte's policy. Duartism has nothing left to offer the people. Duarte only has the option of repression left to contain the popular struggle. That is why he is maintaining a systematic campaign of repression and terror against the popular movement. He has now resorted to open repression as was the case with the UNTS [National Unity of Salvadoran Workers] gathering yesterday in front of the Mariona Penal Center in San Salvador.

However, the people are not afraid of Duartism. This greater repression only generalizes the war; that is, a greater incorporation of the masses into the popular war. It brings them to a higher level of participation within the revolutionary struggle. Also, Duarte is marking his 3d anniversary as he faces stalemated Yankee military plans; he faces the defeat of his war plans in our country. Our revolutionary Army has contained and continues to defeat the current counterinsurgency plan of the gringos. The "United to Rebuild" plan has almost been forgotten by top military leaders. It was completely defeated because it had no social support.

Our army is accelerating the wearing down of Duartist troops and is spreading the war throughout the country. This increased intensity in the politicial struggle of the masses and of our Army will only lead to the toppling of Duarte.

This anniversary of Duarte's government coincides with the beginning of his definitive downfall. Duarte is falling; everyone get involved in combat.

GUILLERMO UNGO ANALYSES COUNTRY'S SITUATION

FL012129 Mexico City NOTIMEX in Spanish 1624 GMT 31 May 87

[By correspondent Anamaria Lasso]

[Text] Panama, 31 May (NOTIMEX) -- In an analysis of the situation in his country on the 3d anniversary of President Jose Napoleon Duarte's government, Guillermo Ungo, leader of the rebel Democratic Revolutionary Front (FDR) in El Salvador, has stated that the United States is making the mistake of confusing the implementation of counterinsurgency plans with the viability and efficiency of the counter-guerrilla strategy. The American policy in the region and the low intensity conflict in El Salvador were the framework for Ungo's analysis in an interview with NOTIMEX.

The FDR leader noted that in general terms, the army has fulfilled its plans, although there have been deficiencies and lack of coordination; however, the counterinsurgency plan itself is not effective or viable. After 3 years of the Duarte government, one can see that the U.S. strategy, in terms of its various political and military elements, has become more sophisticated and complex: It does not want another Vietnam or Cuba. The United States has tried to profit from its past experience in the political sphere by institutionalizing the regime, employing the more palatable Duarte, as well as plans along the lines of "united for reconstruction." However, Ungo said, U.S. strategy contains the germ of its own failure when it tries to turn the counterinsurgent into an insurgent and wage a people's war against the people themselves.

As it fails, the low intensity war is paradoxically becoming a high intensity war in the case of Nicaragua, Ungo pointed out, stressing that President Reagan's speech adapts itself so well to the new situation that it violates international and U.S. laws, as the Iran-contra scandal demonstrates.

In El Savador's case, the levels reached by the war and the political struggle make it possible to keep the low intensity conflict plan but its ineffectiveness is more evident each day. The situation could lead to intervention or a search for new results through political solutions, he stated.

He recalled that in late 1984 the chief American military advisor in El Salvador believed that $100 million in congressional funds were sufficient. This assistance is now $700 million a year and the course of the war has not been reversed as planned in 1984. The only effect was to prolong the war and slow down somewhat the advance of the fronts, but not stop it, Ungo emphasized.

Comparing the situation in Nicaragua and El Salvador, he said that the former is on a waiting list, since the U.S. Administration has concentrated its effort toward portraying the Sandinist front as a devil and has tried to put it on the same level as terrorist organizations to justify its Libyan-style measures without any impressive results.

Ungo said: The same phenomenon is taking place in Nicaragua as in El Salvador; the plans to train and provide technology to the contras are carried out, but there is evidence this year that the U.S. project has suffered a convincing though not definitive defeat. The Nicaraguan conflict is being prolonged and the aggression is getting more complex. Should the strategy of attrition fail, both in Nicaragua and El Salvador, the United States has not dismissed the possibility of a surgical or massive intervention.

Ungo explained that the situation in the two countries is different but comparable. Just as they get no results in Nicaragua and no one bets on their military victory any longer, the situation in El Salvador deteriorates and intervention could emerge as a medium-term solution.

Ungo stressed that intervention in El Salvador implies an intervention in Nicaragua and vice versa. And if they are saying that the United States should intervene because the contras are drawing their last breath, they cannot leave any loose ends in El Salvador. Besides, intervention would complicate further the conflicts in Guatemala and Honduras.

Ungo postulated the Salvadoran military's willingness to completely abdicate the responsibility of directing the war in favor of the United States. He believes a large sector of the Army would readily accept that condition. The oligarchic sectors have no homeland, and the same can be said of the oligarchized sectors of the army, he added.

However, a significant reduction in military aid to El Salvador could change the Army's position because it would see that it is not going to get unlimited aid forever. This observation brought the rebel leader to an analysis of the extent the American position determines the solution of the conflict. The superpower also has its limits, in large part defined by the international context, as well as the domestic one, Ungo stated.

The United States is the ringmaster and a political solution requires their concurrence [voluntad]. Paradoxically, the external factor is what carries the most weight internationally, Ungo stressed. But (Ronald) Reagan will not change his opinion just because he had a good night's sleep, Ungo said with irony, adding that he (the President of the United States) might change his stance because of political needs and interests produced by his domestic situation. He cited as an example the Iran arms sale scandal and the diversion of funds for the Nicaraguan counterrevolutionaries. As Reagan's policies lose credibility, an autonomous game with internal factors will begin in El Salvador.

Lastly, Ungo touched on the aspects of dialogue, including the recent proposal of the insurgents, which has a strongly humanitarian nature for the couple of million people affected and which President Duarte rejected even before it was announced. To make the war human we cannot wait indefinitely until Reagan points a finger and the Army accepts negotiation, Ungo indicated, after stating that in the opinion of the FMLN and FDR, dialogue has two scenarios that overlap.

The belligerents could negotiate aspects of war and peace and undertake a social dialogue in which civilians could express themselves in favor of a political solution based on national consensus.

He declared that the great expectations the dialogue proposal gave rise to and which could not be fulfilled infused the people's movement with dynamism and legitimized the insurgents as a belligerent party. This is what the Reagan administration and the high military cannot accept; they do not want to recognize the political and military power of the FMLN-FDR.

He also said that Duarte's unilateral proposals embody a great deal of ill-will. He makes them so he can take a partial amnesty to the 25-26 June meeting of Central American Presidents in Guatemala, as he has done in the past. He empties the jails and them fills them up again, eluding dialogue on humanitarian measures. In proposing an evacuation of the war wounded, Duarte is giving unilateral expression to a bilateral agreement already concluded at the meeting of Ayagualo, El Salvador.

The fronts' proposal, Ungo stated, seeks to diminish the war's intensity and limit its effect and scope while the mechanisms for a political solution are put in motion. Unfortunately, the proposal is least known in El Salvador because the media did not publicize it, he added.

He emphasized that Duarte's plan provides for a democracy of the right for the right. The government is incapable of responding to the proposals of the insurgent fronts and shuts them off, but the proposal is not dead, it remains on the social arena, and we will not withdraw it.

FARABUNDO MARTI CITES UNTS DOCUMENT OF DEMANDS

PA030124 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2200 GMT 1 Jun 87

[Text] The working class has taken an important step by consolidating popular aspirations into a single platform. The working class, which is made up of various popular sectors in the country, is experiencing the worst economic and social crisis in the history of our fatherland.

The Duarte government, which is neither willing nor capable of resolving the serious problems facing the Salvadoran people, only represses the people and issues antipopular decrees and demagogical statements. Despite this, in a message to the nation yesterday in which they analyzed the 3 years of Duarte's administration, the organized workers gathered together in the National Unity of Salvadoran Workers [UNTS], and presented a platform of the workers to resolve problems facing the fatherland. This platform follows:

[Begin recording of unidentified UNTS official] The demands of the workers and the people:

We demand the immediate resignation of Jose Napoleon Duarte and the establishment of a new government that has the participation of all sectors of the country. We ask that the following demands be met:

1. Repeal economic packages (?introduced) by Duarte and ensure that no new economic measures are approved against the people.

2. Decree wage increases for all urban and rural workers in keeping with the high cost of living.

3. Approve the draft bill on consumer protection.

4. Exempt agrarian cooperatives from paying agrarian debts and any other unpayable debts caused by repression, weather conditions, commercialization, and so on.

5. Distribute land among all peasants at no cost to them by allocating [words indistinct] at 1985 prices.

6. Reduce by half the firing of workers and open new sources of employment by (?helping) small- and medium-size businesses through an accessible soft credit system.

7. Immediately suspend the rationing of electric power and potable water and cut their cost to consumers by 50 percent.

8. Do not pay the foreign debt.

9. Supply equipment, medicine, personnel, and maintenance for peoples clinics so they can offer efficient and free services to the entire population. Extend medical and hospital services to rural areas; systematically apply preventive medicine.

10. Construct schools where needed; reconstruct buildings in poor condition and guarantee the required maintenance. Assign resources to obtain educational materials and hire teachers [passage indistinct] return of refugees and displaced people to their places of origin by respecting their civil rights and giving them resources to reconstruct their lives [patrimonio]. [passage indistinct]

13. Guarantee employment, housing, and basic services to Salvadorans deported from the United States.

14. Grant legal status to all organizations requesting it. In the immediate future, give legal status to the companeros of (Aspel), (Sitinpep), AGEMHA [General Association of Finance Ministry Employees], Citas, and so on.

15. Respect the freedom of organization and mobilization of guilds, unions, and cooperatives. In the immediate future, return the offices and land to the nongovernmental ANIS [National Association of Salvadoran Indians] and the People's Defense Cooperative, which belongs to FEDECOPADES [Federation of Cooperative Associations of Agricultural-Livestock Production of El Salvador]

16. Issue a new labor code drafted by the workers; ensure that the government will abstain from approving any other code not proposed by guild and labor groups.

17. Repeal all decrees and laws restricting individual or collective rights. This includes the trial and punishment of the intellectual and actual authors of murders, kidnappings, tortures, and any other form of human rights violations.

18. Immediately expel from our country the American Institute for the Development of Free Labor Unions [Instituto Americano Para el Desarrollo del Sindicalismo Libre].

19. Recover national sovereignty by ending U.S. Government meddling in our internal affairs and establish relations with all those governments that are willing to respect our national sovereignty and the self-determination of the Salvadoran people.

20. Immediately end the forceful recruitment of Salvadoran youths.

21. Decree a general amnesty for all political and labor prisoners.

22. Seek as soon as possible mechanisms to find a political solution to the armed conflict and the structural crisis of the socioeconomic system.

Go ahead brother worker, the time has come to increase the levels of organization and combative struggle! [end recording]

CORRECTION TO FMLN-FDR PEACE PROPOSAL

The following correction pertains to the item headlined "FMLN-FDR Proposal for Solution to Conflict," published in the 29 May Latin America DAILY REPORT, page P 1, tenth paragraph from end of article, line six:

We propose that the immediate negotiations begin on 15 July. (changing date of negotiations)

'INCIDENT' INVOLVES U.S. AMBASSADOR PIEDRA

PA021740 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 1 Jun 87

[Passages with quotation marks recorded]

[Text] A confusing incident took place in this capital city yesterday after an automobile approached U.S. Ambassador Alberto Martinez Piedra's car caravan. The ambassador's bodyguards began firing at the car wounding a person.

The incident took place at noon in front of a restaurant on (?Roosevelt) Road where reporters from this station were the first to arrive. The victim of the incident was Enrique Chacon, who was driving his car with his wife and young daughters. Mr Chacon was injured.

Today's newspapers published imprecise reports on the incident and state that President Vinicio Cerezo's bodyguards had fired the shots and one of Mr Chacon's daughters was injured. This report proved to be untrue.

The Presidency's Public Relations Secretariat correctly explained the incident to the newspapers with a note sent to their directors. Copies were also sent to other news media. Moreover, the U.S. Embassy explained the incident as follows:

A. On 30 May 1987, an incident took place involving national policemen, who were in charge of the safety of the U.S. ambassador, and a black pickup truck.

B. The incident took place as follows: At 1400 on Saturday 30 May, U.S. Ambassador Piedra's vehicle, which was escorted by two security cars and driven by a national policeman working with the U.S. Embassy's security staff, was heading to Antigua Guatemala on (?Roosevelt) Road between 137th and 138th Avenues, when a black pickup truck carrying several passengers and driving recklessly approached the ambassador's vehcile and tried to get in between his vehicle and the security car that led the caravan. The national policemen in the security cars tried to warn the pickup truck with hand signals and later, with blinking red lights and sirens. The driver of the pickup truck disregarded the warnings and continued to approach the ambassador's car by trying to move between the ambassador's car and the security car. One of the national policemen in one of the security cars, thinking this was a threat to the occupants of the ambassador's car and the security cars, fired at the front left tire of the pickup truck to stop the vehicle. The pickup truck did stop and the ambassador's caravan continued heading toward Antigua Guatemala. The vehicles in the caravan never stopped, nor did the national police agents escorting the ambassador get out of the vehicles.

C. The case has been sent to the 9th Court.

This was the communique issued by the U.S. Embassy.

Later, at a private health center, Janeth de Gomez, wife of the victim, talked about the danger her daughters experienced during the attack on her husband.

[Gomez] "We were driving down (?Roosevelt) Road. There were three light blue (?suburban) vehicles in the caravan. Our five daughters believed the president was in one of the vehicles and wanted to see him. We assumed that since the vehicles were (?suburban) the president was traveling in one of those vehicles. The escort guards made a sign to us to drive to the right, and to the left [as heard] and after these signals they fired a machinegun through the car window, hitting my husband's foot. One of the girls, who is 3 years old, received a bullet wound. [words indistinct] her injury is not serious though.

[Unidentified reporter] Did this happen while the car was moving or did they make you stop?

[Gomez] The vehicles were moving when this occurred. They did make us stop, but (?two of the four) men were outside the vehicles, and threatened and hit the girls.

[Reporter] Did the policemen who fired at you identify themselves, or make any signs?

[Gomez] No, they did not. They just [words indistinct] and continued in the caravan.

[Reporter] How many shot [words indistinct]

[Gomez] Two, by the men inside the cars, and one by one of the men outside the cars. [words indistinct]

[Reporter] Have you had any contact with the authorities following this incident?

[Gomez] Yes, a colonel arrived and took away the guard who attacked the girls, because he had threatend us with death.

[Reporter] What did he tell you?

[Gomez] He told us to get... [changes thought] We were insulted and told to get out of the car or else we would be killed on the spot. They told my husband to [words indistinct] would kill him [words indistinct]

[Reporter] Did they hurt any of your daughters?

[Gomez] The 3-year-old; and the ones in the Suburban hit the 11-year-old -- the ones in the Suburban hit the 12-year-old; with the... [incomplete sentence as heard] And they hit her again [words indistinct] out of the car.

[Reporter] Was the president of the Republic riding in that car?

[Gomez] I do not know. We assumed he was riding in it because there were three Suburbans. That is what the girls... [changes thought] My husband drove the car up to the motorcade because the girls were with us. However, I wanted some sort of protection. Just imagine, we were traveling with five girls in a car. They wanted to see the president, and we got shot at. Is this the kind of democracy the president is giving us?"

The president of the Republic, interviewed today at the Guatemalan-Honduran national soccer match at Mateo Flores Statium, said his security corps was not involved in the incident.

[Cerezo] "That is absolutely untrue. Two media stations made the mistake of receiving a report involving the president and did not confirm it. I have not been in Guatemala City since Friday, when I went to Zacapa. I went to Santo Tomas, and I returned to watch our national team play. The incident apparently involved an ambassador and another group of vehicles. The 9th Court of preliminary hearings is handling the case. It is unfortunate that completely false reports were disseminated without any confirmation.

[Reporter] Will the government take action to prevent the recurrence of incidents like this one?

[Cerezo] It was merely an accident involving an ambassador's security corps and someone else. These things can be corrected. It appears the person tried to drive up to the motorcade, and this created confusion. However, neither the president nor the president's security corps were involved. The report should have been confirmed. It is a shame this has happened.

[Reporter] Was it the U.S. ambassador?

[Cerezo] It appears that it was. However, the 9th Criminal Court is handling this.

[Reporter] Will the authorities investigate the police?

[Cerezo] We already sent the case to the 9th Criminal Court. The courts will follow up the investigation. It appears that it was totally accidental."

Meanwhile, national police spokesman Carlos Escoto justified the action by the agents who fired the shots.

[Escoto] "There has been much misinformation: First, it was said the president's motorcade was involved. This is absolutely false. Second, this was an accident caused by the negligence of Edgar Enrique Chacon Gomez, who was injured. Chacon Gomez testified he was riding in the first vehicle -- a pickup truck, with tag number 215029 -- with his family. They thought the president was traveling in the motorcade. Gomez said his daughters wanted to say hello to the president. He came dangerously close to the motorcade. Naturally, the security agents had to take action. A security agent will not stop to determine the identity of an old lady, a family, terrorists, or people who merely want to greet an official driving in... [changes thought] are in a vehicle that comes dangerously close. When a vehicle is being protected like that, one should logically yield, not approach it or cause this kind of incident, which was caused by negligence. The person did not realize the risk he was taking when he did this. One of the corps commanders immediately arrived at the scene of the incident and helped the family, offering to take them to a hospital. The corps commander said Gomez outright refused to go until members of the press corps arrived."

SALVADOR'S ACEVEDO ON FOREIGN MINISTERS MEETING

PA290218 San Salvador Canal Seis Television in Spanish 0100 GMT - 28 May 87

[Report by Roxanna Lemus -- Passages within quotation marks recorded]

[Text] Salvadoran Foreign Minister Dr Ricardo Acevedo Peralta announced today that the five Central American foreign ministers will meet on 15 June in Tela, Honduras to present their observations and points of view of the peace plan proposed by Costa Rican President Oscar Arias. The five foreign ministers will discuss a list of observations 10 days prior to the presidents' meeting in Guatemala. The Salvadoran observations do not change the basis of the Arias plan, rather, they enrich it, said Acevedo Peralta, who added that Nicaragua will present amendments that might lead to the plan's failure.

[Acevedo Peralta] "We cannot change the basis of the principles that support President Arias' original plan. What worries us is what Nicaragua might have to say. We understand that both Commander Bayardo Arce and Foreign Minister D'Escoto, as well as Vice President Sergio Ramirez Mercado, have announced they will present several amendments, and have been announced they will present a new plan as an alternative to President Arias' plan."

The foreign minister insisted that the Nicaraguan stand will be the obstacle for achieving peace.

[Acevedo Peralta] "We are afraid Nicaragua will once again be the obstacle hindering these peace negotiations by bringing up arguments that have nothing to do with the region and that say there is no reason why the Central Americans should solve these issues. For example, there is the demand that the United States and Nicaragua resume the talks they once held in Manzanillo."

He also said the Central American foreign ministers, excluding the Nicaraguan foreign minister, agreed that peace in the area has three phases.

[Acevedo Peralta] "The Arias plan is considered a process that emphasizes democratization. There is a security plan that is related to the Arias plan, but it could be designed based on the proposals made by the secretaries general of the United Nations and of the OAS. There is a third phase that covers the economic and social development plan for the entire region. Without all this, it would be very difficult to achieve peace and democracy in Central America by just merely signing the document."

For the time being, Honduras and El Salvador are the two countries that are the closest in the Central American region. According to the foreign minister, these two countries have the closest diplomatic ties.

AZCONA VISITS ISRAEL; SIGNS TOURISM ACCORD

For Israeli media reportage on the 27 May-1 June visit to Israel by President Jose Azcona Hoyo, including his comments on the possible purchase of Israeli Kfir fighter planes and a report on the signing of a tourism agreement, see the Israel section of the 2 June Near East & South Asia DAILY REPORT.

BORGE RETURNS FROM COPPPAL MEETING IN BOGOTA

PA292231 Managua Radio Sandino in Spanish 1200 GMT 29 May 87

[Text] On his return to Managua, Interior Minister Commander Tomas Borge Martinez said that important resolutions to strengthen the peace efforts of Contadora were adopted during the meeting of the Permanent Conference of Latin American Political Parties, COPPPAL, held in Bogota.

[Begin Borge recording] [Words indistinct] considered that Contadora and the Support Group represent the most important option which embodies Latin America's hopes for a peaceful and negotiated resolution of the Central American conflict. COPPPAL explicitly recognized Contadora and its Support Group [words indistinct]. COPPPAL pointed out that the conflicts of the Central American countries are essentially caused by [words indistinct] which has led to a situation of extreme poverty, social inequality, and underdevelopment. COPPPAL also reiterated that the conflict does not fall within or is the result of the East-West conflict, contrary to what is stated by those who are interested in prolonging the conflict. COPPPAL also bore in mind the next meeting of Central American presidents, which will be attended by President Daniel Ortega. It will be held in Guatemala in June to discuss the various peace options, including the Arias plan. COPPPAL is also concerned about the increase of the arms buildup in the region. It decided to have the nearly 35 Latin American political parties which belong to it unanimously support the peace efforts of the Contadora and Support Group. It [words indistinct] all these political parties [words indistinct] to make possible the peace objectives in Central America. [end recording]

Eastern Bloc Trip Announced

PA021818 Managua Domestic Service in Spanish 0300 GMT 2 Jun 87

[Communique issued by the FSLN National Directorate's Secretariat; date, place not given]

[Text] The FSLN National Directorate's Secretariat informs its members and the Nicaraguan people that Commander of the Revolution Tomas Borge Martinez, member of the FSLN National Directorate, in his capacity as interior minister, is heading a delegation that will pay an official visit to the following countries from 1 to 29 June: the Soviet Union, Bulgaria, Czechoslovakia, Poland, Hungary, and the GDR.

The delegation is composed of Sandinist Assembly members Luis A. Guzman, Jacinto Suarez, and Jose Figueroa.

[Signed] FSLN National Directorate Secretariat

RUIZ ISSUES NOTE CLARIFYING USSR OIL SUPPLY

PA021800 Managua EL NUEVO DIARIO in Spanish 30 May 87 pp 1, 8

[Text] Commander Henry Ruiz, minister of foreign cooperation, has sent an explanatory note to our offices regarding an ANN report we published yesterday.

The note states:

The Foreign Cooperation Ministry informs the Nicaraguan people of the following:

1. Unfortunately, certain media did not fully report statements by Commander of the Revolution Henry Ruiz about the country's problems with the oil supply, giving the erroneous impression that the Soviet Union is not complying with its oil supply.

2. Therefore, it must be stated that the Soviet Union agreed with Nicaragua to supply 300,000 tons of oil -- which were already delivered, thus complying with the agreement in full.

3. The USSR is not the only oil supplier our country has, and the total requirements to meet the country's needs are still being negotiated with the respective suppliers.

FUEL PROBLEM CAUSES DELAY IN GRAINS PLANTING

PA022010 Managua Domestic Service in Spanish 0300 GMT 2 Jun 87

[Text] Omar Ortez, director of the Laureano Mairena Enterprise, today reported that the planting of basic grains is 15 days late because of a lack of fuel for farm machinery.

Omar Ortez said 800 manzanas of beans have not been planted because of this. Regarding corn, he said only 42 of 800 manzanas have been planted. He added that all of the rice planting is done. It involved a goal of 1,000 manzanas. He said the enterprise needs 17,000 gallons of fuel per week to carry out its activities. However, the problem remains unsolved, and this is hampering the completion of production tasks.

EPS BREAKS UP CONTRA OPERATION IN NORTH

PA290445 Managua Domestic Service in Spanish 0300 GMT 28 May 87

[Text] Thanks to the combativeness of the EPS, it has been possible to break up an operation the mercenary forces had mounted in the country's north. The operation was called "Spring." The information has been provided by Nicaraguan military analysts.

According to these sources, the mercenaries wanted to extend their sabotage operations to economic objectives in areas traditionally enduring military activities as well as in areas near the country's main cities. One objective of the "Spring" operation was to set up an operations base in the Bocay area, near the Honduran border. In the meantime, the mercenaries operating in the country's central region would try to seize the country's main roads.

In view of their failures, the contras are demoralized and refuse to fight the EPS, the military analysts said. They also noted that the CIA is trying to implement a second phase of the "Spring" offensive, to reactivate the Somozist mercenaries.

WHEELOCK DISCUSSES NEW 'OFFICIAL EXCHANGE RATES'

PA290434 Managua Radio Noticias in Spanish 1200 GMT 28 May 87

[Text] Agricultural Development and Agrarian Reform Minister Jaime Wheelock Roman said that industrial imports linked to consumer goods are exempt from the new exchange rates. Also exempt are all imports of basic consumer goods. Minister Wheelock said there is no devaluation of the currency, there are, however, new official exchange rates. These exchanges rates are for certain products that up to now have been imported without them, to the detriment of consumers. These new exchanges rate will be applied to vehicles and certain agrochemical products that up to now have had no controls.

According to Commander Wheelock, the consumer goods will not suffer from any change in exchange rates, and there will be three exchange rates: 300 to 1, 200 to 1, and 100 cordobas to $1.

Comrade Wheelock said that at no time has there been talk of devaluation of the currency [words indistinct] when he said emphatically that the report pubished by ANN was not correct.

Notwithstanding the new exchange rates, Wheelock insisted that for the purchase of products linked with basic consumer goods, the exchange rate continues to be 60 cordobas to $1.

MINING FIRM HOLDS NATIONALIZATION PAYMENT TALKS

PA282202 Managua Domestic Service in Spanish 0300 GMT 28 May 87

[Text] The Nicaraguan Government and the transnational Neptune Mining Co. today initiated a new round of negotiations. A conciliation commission is participating in the talks.

With the nationalization of the mines decreed by the revolutionary government Neptune has been demanding $7.5 million for its assets. Nicaragua is demanding $180 million in taxes due and treasury and bank debts.

The Nicaraguan delegation is headed by Justice Minister Rodrigo Reyes. Neptune is being represented by the company's president, (Hans Paine). Carlos Andres Perez, who is being assisted by advisers, is the sole arbiter. Perez' chief adviser is Dr Raul Larrieta, who is the coordinator of the advisers' team.

BRIEFS

JOINT COMMISSION MEETING -- The fourth session of the Niaraguan-Czechoslovak Joint Commission was inaugurated today by Commander of the Revolution Henry Ruiz, minister of foreign trade, and Eng Ladislav Vodrazka, Czechoslovak first deputy minister of foreign trade. During the 3 days meeting the financial aid and technical assistance that Czechoslovakia has given Nicaragua during these 7 years of revolution will be evaluated. The two countries will negotiate the broadening of the line of credit and free technical assistance that Czechoslovakia gives Nicaragua. [Summary] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 26 May 87 PA]

GOVERNMENT ASKED TO REPORT ON 'U.S. MILITARY BASE'

PY022216 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1425 GMT 2 Jun 87

[Text] Buenos Aires, 2 Jun (NA) -- Renewal Peronist Party Deputy Luis Macaya has submitted a draft resolution requesting that the executive branch "urgently" confirm or deny a report published in European military magazines about the alleged existence of a U.S. military base in Argentina.

Macaya said that ATLAS STRATEGIQUE published in France in 1983, and the Soviet magazine WHO IS THREATENING PEACE, published in Moscow in 1984, include maps showing U.S.-owned "targets such as information, communication and naval facilities and radar stations" in Argentina.

Macaya, who is a Peronist candidate for the Buenos Aires vice governorship, said that if the report is confirmed, "it would be a very serious matter and a disconcerting alignment in the East-West conflict that does not agree with public statements made by the president of the Republic." He thinks "the executive branch should urgently report on such a serious situation," because of the time that has elasped since the date of the publications without "either the Defense Ministry or the Foreign Ministry having denied or requested an explanation of the report through diplomatic channels."

Macaya's bill also requests information on "the diplomatic steps the government plans to take with the Soviet Union to correct the situation" if the report is false.

RIGHTS TRIALS RESUME AFTER EASTER WEEK CRISIS

PY030209 Buenos Aires BUENOS AIRES HERALD in English 2 Jun 87 p 11

[Text] Bahia Balanca (NA-DYN) -- An Army colonel was questioned yesterday by the local federal appeals court, which renewed its activities in the investigation into human rights violations by Fifth Army Corps personnel during the "dirty war" against leftwing subversion after a 15-day interruption stemming from the Easter Week military crisis.

Colonel Rafael de Piano, who was brought from Buenos Aires where he was being held under rigorous preventive arrest on orders from the Comodoro Rivadavia Federal Appeals Court, was questioned by the court on the illegal arrests, torture, and deaths of four people in 1977.

At the time De Piano was chief of the operations department of the Fifth Army Corps. After his testimony he was returned to Buenos Aires escorted by an unidentified Army major who had brought him from the federal capital.

Before interrupting its activities the court had questioned former presidential bodyguard Raul Guglielminetti on cases of illegal arrests and torture in Neuquen.

Other military officers have been summoned to testify later in the week before the court which was also expected to rule on a plea submitted by human rights groups to the effect that the "Full Stop" Law was unconstitutional.

But in Cordoba the federal appeals court indefinitely postponed further proceedings in the trials of military officers because of the Due Obedience Bill expected to be passed by Congress this week and which would exempt officers accused of excesses when they were carrying out orders from superiors.

Meanwhile, in Buenos Aires a lawyer appointed by the Swiss Embassy asked Judge Eduardo Mugaburu to question two former intelligence agents on whether missing Swiss citizen Alexis Jacard had been a prisoner in the Navy Mechanics School (ESMA).

Agents Ruben Bufano and Luis Martinez were being held under arrest after being extradited from Switzerland in connection with the kidnapping of financier Fernando Combal.

Lawyer Julio Viaggio said the two agents told a representative of the human rights organization Amnesty International in Geneva that Jacard was abducted in 1977 in the Belgrano District and taken to ESMA where he was tortured to death.

According to Viaggio, Martinez said the case became well known in the security services because of the Swiss Embassy's attempts to trace Jacard, which included a plea to then President Jorge Videla.

The lawyer said Jacard's luggage was taken from his hotel room by police who handed over a receipt signed by an officer named Julio Gonzalez. Two days later police demanded the return of the receipt but by then a Swiss Embassy official and seen it and taken note of its contents, he added.

According to police, Jacard left Argentina and went to Chile and later to Uruguay but travelled with an Argentine passport instead of his Swiss passport.

FORMER COMMANDERS' IMPRISONMENT ORDERED

PY022150 Buenos Aires TELAM in Spanish 1834 GMT 2 Jun 87

[Text] Buenos Aires, 2 Jun (TELAM) -- Federal Judge Amelia Berraz de Vidal has ordered the preventive arrest of former commanders Jorge Rafael Videla, Orlando Agosti, and Emilio Massera in the case against them for rebelling against and ousting former President Maria Estela Martinez de Peron on 24 March 1976.

Judge Berraz de Vidal has submitted the case file to prosecutor Julio Cesar Strassera so he can give his opinion, in compliance with the terms of the law for the defense of democracy, it was disclosed at the court.

CEMIDA HEAD VIEWS GOVERNMENT ON DUE OBEDIENCE

PY030058 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1642 GMT 2 Jun 87

[Text] Buenos Aires, 2 Jun (NA) -- Brigade General Ernesto Lopez Meyer, retired, today said that "those who committed torture and human rights violations are becoming increasingly happier, and they are waiting for a new chance to use their weapons against defenseless citizens." This was the way he referred to the modifications the Senate introduced to the "Due Obedience" Bill.

Lopez Meyer, who heads the Center of Military Officers for Argentine Democracy (CEMIDA), released a "personal statement" in which he criticized what he referred to as "the ambiguous attitude of the executive branch, the weak personality of the defense minister, and the hesitation of most ruling party and minority party lawmakers toward the 'Due Obedience' Bill." The retired general said that "the man on the street wonders whether he will indefinitely continue to support the hesitation of those who are in power, the cowardice of lawmakers, and the ambiguity of political speeches. He also wonders how long the government will continue to yield to the pressures of those who have been tried and condemned, who profited from murder and atrocious crimes, and who support a coup d'etat."

Lopez Meyer said that most citizens "believe that the Armed Forces cannot be mistaken for such sectors, that the Armed Forces need no concessions, disguised amnesty, or selective pardon, because the Armed Forces repudiate those leftovers who at some time were among their ranks." He added that "the people know that the only thing the Armed Forces need to strengthen discipline is firm but composed leadership, based on clear and specific orders and guidelines, and the exercise of command in keeping with the mission of the Armed Forces and based on modern concepts."

LABOR, ECONOMY MINISTRIES CLASH OVER WAGE INCREASE

PY271810 Buenos Aires BUENOS AIRES HERALD in English 27 May 87 p 11

[Text] (NA-DYN) — Labour and Economy Ministry officials openly clashed yesterday over the minimum wage hike of 30 australs guaranteed with next month's six percent rise.

While Labour Secretary Melchor Chavarria insisted the sum would be "totally" incorporated into basic wages agreed upon in collective wage-bargaining accords, Economy Ministry Technical Undersecretary Jorge Gandara held that only six percent would carry over to salaries. In the event the hike did not reach 30 australs, the breach would be paid as a nonreimbursable bonus, added Gandara.

Chavarria said that according to Article 4 of Decree 730 through which the wage hikes were ruled, the Labour Ministry had powers to interpret the text of the decree.

But Gandara contended the decree did not specifically state whether the 30 australs should be taken into consideration to calculate the mid-year bonus. He said the interpretation given by Chavarria aimed at "manipulating negotiations through an ambiguous reading of the text."

Gandara also confirmed the government is still studying labour bills which President Raul Alfonsin wants to send to Congress before his departure for the ILO annual assembly next week. The General Confederation of Labour (CGT) is expected today to discuss its position regarding delays in the congressional treatment of the bills.

CAPUTO MEETS WITH CSSR'S HUSAK, STROUGAL

For Prague media coverage of the visit to Czechoslovakia by Foreign Minister Dante Mario Caputo, including meetings with Premier Lubomir Strougal and President Gustav Husak, and the cooperation protocol signed with Foreign Minister Bohuslav Chnoupek, see the Czechoslovakia section of the 2 June East Europe DAILY REPORT and subsequent issues.

SARNEY ADDRESSES CABINET ON NATIONAL SITUATION

PY021927 Brasilia Radio Nacional de Amazonia Network in Portuguese 1300 GMT 2 Jun 87

[Address by President Jose Sarney to a Cabinet meeting at Planalto Palace on 2 Jun -- live]

[Excerpts] [Broadcast in progress] ...more than ever cohesion and identity are necessary. It is also necessary to follow up and evaluate government actions as well as to discuss national problems and to seek solutions to them. Above all, it is necessary to unify our form of communication, because public administration must function systematically and democratically. Each ministry is part of a whole that must operate harmoniously. The ministries are not separate entities or compartmentalized units. Each ministry is interdependant on the others and together they constitute the government. They must help each other and know what each one is doing in order to be able to help. The responsibility of each minister is not restricted to his own portfolio. Respecting each area of responsibility, we have to operate as a systematically coordinated unit. Likewise, we have serious obligations to the other branches of government -- the legislative and judicial branches -- but our most sacred duties are to our extraordinary people. [passage omitted]

Now the year 1987 has become turbulent in the political arena and adverse in the economic field. It has been a difficult year for government, workers, businessmen, the country, and the people. These complex and significant problems sprang together and created a new national situation, with aspects of a crisis in some economic sectors. Never in our history have so many exceptional problems appeared together at the same time in the political, ideological, and social fields. These problems have influenced party politics, income distribution, regional disparities, the restoration of the economy in the service of the people, speculation, cost of living, inflation, interest rates -- in sum, an overlapping of crises of a political, social, and economic nature.

The president's efforts have been so far directed at consolidating democracy, avoiding radicalization, making ideological coexistence possible, maintaining harmony between opposing views, promoting dialogue, dismantling supremacies, maintaining alliances, exercising patience to avoid petty struggles, and, finally foremost, at setting the greater objective of democratization. This objective calls today for national unity. [passage omitted]

The Constituent Assembly now offers the possibility for laying down the basis for a new legal structure for the state, for a new organization of the state of law; that is, and it is worth repeating, the government by law, not by men. The Constituent Assembly should look forward to the future, rather than set its eyes on the present. [passage omitted]

Nations are not nourished by frustrations nor by as yet unattained dreams. They must live in present-day reality. Present-day Brazil currently faces difficulties which we will overcome by resorting to our own solutions, struggling with all our strength, resisting to our own solutions, struggling with all our strength, resisting all attacks, injustices, and dismay. To this task, I summon you. [passage omitted]

The time has arrived for an administrative battle, giving no quarter, taking no time off. We have earned the nation's credit, fundamentally for the peace we have installed. The past 2 years have been peaceful and no blood has been spilled, no insubordination has to be dealt with during a difficult process which has caused problems in many countries. Brazil has changed and today it is in the hands of its people.

We now must show them that they must not, lest they want to hurt themselves, make unrealistic demands in a disorderly manner, demands beyond the country's possibilities and available resources. To strike for the sake of striking would destroy a right that has been recognized to fight injustice, not to serve interests of ideological groups that want to take advantage of the sufferings of our people. [passage omitted]

The decision I made regarding the presidential term of office was not meant to serve any personal interest, merely the nations's interest. It was part of the strategy to surmount a crisis in which politics and economy are intermingled. The president has not personally asked anyone for solidarity with power ambitions, nor has he put the state machine at the service of any political decision. For the president, politics has a moral aspect that cannot be disregarded, even on behalf of public interest, because public interest cannot be separted from ethical or moral principles. I did asked the parties, since I am honorary president of the PMDB [Brazilian Democratic Movement Party] and founder of the PFL [Liberal Front Party], for their support. Since I did not fail these parties and I have been loyal to them, I now expect reciprocal behaviour. The parties of the Democratic Alliance, therefore, have obligations with the government in which they participate and for which they are responsible. The Democratic Alliance has obligations to the president and to Brazil, not only in peaceful days, but also in days of hardships.

In fact, some developments have taken place since last February. The inevitable suspension of the interest payments to private foreign creditors was an indispensable decision which has had an impact on the country's international relations, particularly on the inflow of foreign capital. To address the foreign debt problem was fundamental to the implementation of any government project. We will spare no effort to advance in this area, but we will not relinquish Brazil's growth and sovereignty. Highmindedness and pragmatism are the words of command. Without exaggeration, I can say that either directly or indirectly the foreign debt, which we inherited, is causing most of our problems. In the case of the foreign debt, I recall that in 2 years we paid 23 billion [currency not specified] in interest and contracted to debt. [passage omitted]

To stave off pressure and speculation, at this time I want to announce some recommendations that must be observed in formulating and implementing the new economic policy. While recognizing the difficulty of correcting prices in an inflationary context, the government will fight unjustified price increases and adjustments. All preventive and punitive mechanisms will be activated promptly to curb such increases and adjustments. I have determined that an unsparing war must be waged against inflation and high interest rates and that the purchasing power of workers must be protected through salary corrections, in accordance with the inflationary process.

We will not sponsor recession, because we can grow and continue to grow. The country needs good development projects and programs. We will not back down from the objective of promoting greater social justice by narrowing the disparities in income between the country's regions and people. This is an unrelinquishable principle of our government. Priority will be given to addressing social problems and to emphasizing our commitment to the poorest. The regional tax incentives will be maintained, the savings deposit books will not be manipulated, the policy of currency minidevaluations will not be changed, and the negotiation of the foreign debt will be given priority, but will be subordinated to our commitment to economic growth and to the principle of respect for our sovereignty.

Furthermore, special attention will be given to the micro and small enterprises, which represent hope and job opportunities for millions of Brazilians. We will assist those enterprises at this difficult time. I have already ordered the agencies involved in this matter to give priority to measures that can be beneficial for small businessmen. Investments are indispensable and have to be increased in order to guarantee new jobs and economic growth. I stress the role of private enterprise in this process, along with public investments in infrastructure projects. We need private investments, whether domestic or foreign. Regardless of the current difficulties, Brazil is a country of great potential. To invest in Brazil is excellent business, and businessmen know this. We will try to create conditions for businessmen to play their social role of creating jobs and wealth. Mechanisms to attract savings through stock exchanges are very important because the future of Brazilian enterprises depends on the implementation of financial mechanisms other than loans. We must reduce the presence of creditors and increase the presence of shareholders in enterprises. In addition to strengthening the enterprises, investments in stock exchanges are an option for people to put their savings to work.

Finally, summing up, it will be an all-out war on inflation on all fronts, cutting public expenditures cent-by-cent; promoting investments in productive projects to ensure employment and avoid recession in private enterprises; implementing strict controls on public funds; and enforcing exemplary punishment for dishonesty, no matter who is responsible.

In conclusion, complete cooperation must be given to the finance minister, in the implementation of his anti-inflation program, and to the justice minister and the Republic legal adviser in the preparation of legislation to curb the industry of bankruptcy, especially in enterprises that market agricultural products. In addition, we will temporarily suspend housing evictions until the reform of the rent law is completed and implement a law making more strict the punishment of crimes against the economy of the people, including violations of market rules. Also, studies will be expedited for the preparation of a bill to guarantee freedom of trade union organization, freedom to strike, and protection of labor unions from government intervention. [passage omitted]

Messrs Ministers and leaders, we must not, despite present difficulties, lose sight of our goal of building the future of Brazil. Brazil cannot become a prisoner of its current difficulties. The world today is more and more interdependent and open, and Brazil must participate in its future. [passage omitted]

I place my confidence in this government team, in an integrated administrative team, and in the solidarity and support of the political team responsible for Brazil's democratic transition. You have already demonstrated that you know how to serve Brazil. On my part, I can assure you that I will not depart from the course of my duties and that I will be strict in demanding compliance with my orders. Let us be efficient because Brazil expects a great deal from all of us. Thank you very much.

Ministers Address Cabinet

PY030245 Brasilia Domestic Service in Portuguese 2200 GMT 2 Jun 87

[Excerpt] [Passage omitted] After President Sarney addressed the Cabinet, Planning Minister Anibal Teixeira commented on the domestic and foreign debts, which he described as a critical problem.

Minister Teixeira also said that some 40 million Brazilians are now experiencing serious social problems and that 30 million of them do not have regular jobs or the means to buy basic necessities. Teixeira spoke about the need to create a social support policy aimed at assisting this sector. He concluded his speech by saying it is important to plan programs in cooperation with the Finance Ministry and to implement a planning program with greater participation by the people.

The second minister to address the Cabinet was Finance Minister Bresser Pereira, who began his speech by defining the current Brazilian economic crisis. Bresser Pereira thinks the crisis, although structural, is also a result of the lack of investments in the public and private sectors and of the Brazilian difficulties with foreign creditors. Bresser admitted that there are already certain signs of recession in the Brazilian economy, but he emphasized that there is not yet a real recession. He pointed out the three main objectives of the government's economic policy: an annual economic growth rate of at least 3.5 percent, a positive trade balance, and a drop in the inflation rate. Bresser thinks the inflation rate will drop to 10 percent a month before the end of the year.

Minister Bresser commented on measures the government should adopt in face of the crisis:

[Begin recording] Within the framework of the Brazilian economy, the medium-term measures the government must adopt are: first, to recover the savings capacity of the public sector. This basically means promoting a real increase in the tariffs of the public sector because the reduction in the savings capacity of the public sector was caused by the lower prices of goods producted by the state-owned enterprises, which were used as a basic figure to determine the inflation rate. The second measure should be to promote a real increase in taxes. Taxes were reduced to extremely low levels because of inflation. For the medium-term, we can say that the Constituent Assembly is responsible for this, we will have to increase taxes. Taxes were reduced due to inflation. When the inflation rate rises, taxes will go down. [end recording]

According to a Planalto Palace spokesman, President Sarney again addressed the Cabinet after Minister Bresser's speech. Sarney said the current deficit in the public sector is very different from the previous deficits. He also said that there is no competition between the Finance and Planning Ministries.

The next speaker was Culture Minister Celso Furtado, who said that an inflation rate of 20 percent a month is not the result of a structural crisis. It is a consequence of the lack of control over inflation.

Senator Fernando Henrique Cardoso, the Brazilian Democratic Movement Party leader in the Senate, also spoke. Senator Cardoso asked for better and more frequent communications between the government and politicians, who should be adequately informed by the government about the measures to be adopted. Cardoso also suggested that Minister Bresser Pereira appear before Congress and explain the government's economic policies.

At the conclusion of the meeting, President Jose Sarney again addressed the Cabinet and explained that the government should give priority to an assistance program for the northeastern region. Sarney then closed the meeting by expressing his confidence in his Cabinet's capacity to overcome the current difficulties.

RESENDE APPOINTED 'ACTING' AGRARIAN REFORM MINISTER

PY021545 Brazilia Radio Nacional de Amazonia Network in Portuguese 1000 GMT 2 Jun 87

[Text] Agriculture Minister Iris Resende has been appointed acting agrarian reform and development minister. He will hold the two portfolios concurrently,.

This announcement was made by President Press Secretary Antonio Frota Neto, who explained the reason for the appointment of Iris Resende as acting agrarian reform and development minister.

[Begin Frota Neto recording] Agriculture Minister Iris Resende is acquainted with President Sarney's policy for the sector and so he has been appointed acting agrarian reform and development minister, a post he will concurrently hold with the agriculture portfolio. In this way there will be no interruption in the administrative and technical activities in both portfolios. [end recording]

Freire To Fill Post

PY021651 Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 2 Jun 87

[Text] President Jose Sarney has already chosen the replacement for Dante Oliveira as agrarian reform and development minister. The man in question is Marcos Freire, president of the Federal Savings Bank [CEF].

Marcos Freire has asked for a little time before the official announcement is made so he can hold talks with Pernambuco Governor Miguel Arraes, with whom his relations have been cold since the 1982 elections. Depending on the result of these talks. Marcos Freire could take over as agrarian reform and development minister and Miguel Arraes would choose the new CEF president.

'DEATH SQUADS' RESUME ACTIVITIES IN RIO

PY021254 Madrid EFE in Spanish 1605 GMT 31 May 87

[By Adalid Cabrera Lemuz]

[Text] Rio de Janeiro, 31 May (EFE) -- According to police reports, the fearsome "death squads" have returned with greater force to Brazil. In the last 5 months, 1,100 people accused of being linked to the underworld and to drug trafficking in the poor neighborhoods of Rio de Janeiro have been murdered.

According to Police Chief Ronaldo Martins, the new "death squads," which are similar to those that emerged toward the end of 1960 and intensified their activities between 1975 and 1980, are the so-called "Minas Gerais police" [policia mineira]. They are comprised of former policemen, informers, and security agents who provide their services as "hired killers."

Martins added that groups of businessmen from the "poor neighborhoods of Rio de Janeiro [Baixada Fluminense]," which is the poor northern neighborhood of the "wonderful town", contract "paid criminals" to execute assailants and traffickers who operate in the zone.

Nova Iguazu Bishop Msgr Braulio Rodriguez has reported that those groups have contacts with police organizations that, after detaining and torturing criminals, execute them by shooting them in the head, considering that they are not recoverable by society."

In addition to these arbitrary executions, the "Baixada Fluminense" are enduring continuous confrontations among drug traffickers who murder their opponents or witnesses to their activities, crimes not usually solved by the authorities.

According to reports, those groups charge between 10,000 and 15,000 cruzados (between $300 and $1,200) per execution, whether they are linked to the underworld or not. These fees are paid by businessmen, traffickers, or even by industrial men interested in the murder of their partners.

These groups have now returned with greater force and have murdered criminals by hanging them with nylon string or using large caliber guns to shoot them in the head. They place a note on the victims' chests "to give an example to others."

These organizations, which have their residences in the "Baixada Fluminense," considered one of the most violent zones in the world, even intimidate the policemen who investigate the cases, hoping to deter them from solving the crimes.

The chief of the police battalion of that zone, which has some 3 million inhabitants, Ronaldo Martins, stated that criminal activities have increased in Brazil because of the loss in the credibility in police organizations among the people.

Murders among those criminal groups have been reported by the press and thoroughly investigated by the police over the past few days following the murder of the married couple Valter Faria de Souza and Sonia Costa, who were executed in front of their five children, all of whom are under 9 years of age.

A UN report states that a region of the "Baixada Fluminense" is one of the most violent in the world. It adds that "the law by which the strongest survives" prevails in some zones of Rio de Janeiro.

In some slums of main Brazilian cities, groups of drug traffickers have their own security organizations that engage in armed confrontations.

The implementation in Brazil of the well-known "Fleury" law, which allows a sentenced criminal to demand parole if it is their first offense and there is a lack of sufficient prison space, have allowed some 45,000 criminals to circulate freely on the streets often repeating the same crimes several times.

VENEZUELA'S CONSALVI SUPPORTS DEBT DIALOGUE

PY022311 Madrid EFE in Spanish 1442 GMT 2 Jun 87

[Text] Brasilia, 2 Jun (EFE) -- Venezuelan Foreign Minister Simon Alberto Consalvi today said that the foreign debt problems the Latin American countries have with private international banks will be solved only through dialogue.

Consalvi, who is completing the second day of his official visit to Brazil, said that "Latin America cannot wait for an economic collapse to seek solutions, because it has social responsibilities as well as the right to well-being and progress."

He said subjects such as the debt, trade, financing, interest rates, and transfer of capital -- which he described as the "weak countries subsidizing the strong ones" -- must be discussed at a table at which all parties will be equal and at which the political and social repercussions of these issues in the debtor countries will be assessed.

On Monday the Venezuelan minister met with President Jose Sarney, to whom he extended an invitation from Venezuelan President Jaime Lusinchi to visit his country.

While in Brazil, Consalvi will hold a number of meetings with Brazilian Foreign Minister Abreu Sodre as well as with political and economic officials in hopes of strengthening bilateral relations, according to a Venezuelan Embassy source.

The Brazilian Foreign Ministry has reported that tomorrow, 3 June, the two foreign ministers will sign two cooperation agreements, one on the struggle against drug trafficking along their common border and another on communications, under which Brazil will transfer technology to Venezuela.

Brazilian and Venezuelan officials are studying the possibility of increasing bilateral trade, which now favors Brazil by $272 million.

The Venezuelan delegation has expressed concern over the reduction of Brazilian imports from the Venezuelan market, which dropped from $1.3 billion in 1981 to $386 million in 1986.

The main product Brazil imports is petroleum, while Venezuela imports machinery and "CKD" vehicles, mostly Brazilian trucks and tractors.

AGREEMENT SIGNED WITH ARGENTINA TO BUILD PLANE

PY221823 Buenos Aires TELAM in Spanish 0402 GMT 22 May 87

[Text] Sao Paulo, 21 May (TELAM) -- Argentina and Brazil today formalized a technical and industrial cooperation agreement to jointly build a turboprop twin-engine airplane capable of transporting 19 passengers.

The airplane, which will have a speed of 650 km/hour will be equipped with two 1,200-hp engines. It will be produced by the Air Force plane factory located in the city of Cordoba, Argentina, and by the Brazilian Aeronautics Company (EMBRAER), located in the city of Sao Jose dos Campos, 97 km from Sao Paulo.

The document formalizing the agreement was signed in Sao Jose dos Campos by Argentine Air Force Chief of Staff Brigadier General Ernesto Crespo; Brigadier Ruben Corradetti, the director of the Cordoba Air Force plane factory; and EMBRAER President Eng Ozilio Carlos da Silva.

According to EMBRAER estimates, the first prototype will be ready within 2 years. Production will begin in 1991 and the airplane will be assigned the acronym "CBA-312' (Brazilian-Argentine Cooperation).

The Argentine Air Force today received the first batch of the 30 T-27 'Tucano' airplanes, worth $36 million that the Argentine Air Force purchased in 1986 from EMBRAER.

U.S. 'HAS NO AUTHORITY' IN LETELIER CASE

PY030152 Santiago Domestic Service in Spanish 2300 GMT 2 Jun 87

[Text] The Chilean Government has categorically responded to the charges made against it by the Rojas de Negri family, saying that the U.S. court has no authority to hear the case. This was said by Foreign Minister Jaime del Valle, who said that the answer given early this week was quite complete. Therefore, the Chilean Government considers the case closed.

The minister said the answer was given early this week, and he noted that President Reagan's government has not taken any actions because it is not entitled to do so in this case. He added that it is rather an issue to be handled by the U.S. courts [as heard], but we are going to patiently await the decision which we hope, of course, will favor our position.

Regarding the meeting he held with U.S. Ambassador Harry Barns, Del Valle said it was very short and that they discussed subjects of common interest related to bilateral relations. The ambassador asked if there would soon be an answer to the request for the extradition of Chilean officers, and Del Valle answered that Chile is analyzing the issue and that it would eventually inform him as to the response.

The foreign minister said the answer would be given secretly and delivered through diplomatic channels in the next few days to the Chilean ambassador to the United States.

When he was asked, in his capacity as a lawyer, whether the U.S. Government's request was unfounded, he answered that there is no harm in asking.

He described Chilean-U.S. relations as normal.

CARABINEROS FIND ARSENAL IN SANTIAGO NEIGHBORHOOD

PY022112 Santiago Domestic Service in Spanish 1700 GMT 2 Jun 87

[Text] The Carabineros have found a powerful arsenal including automatic weapons in a shoe repair shop in Santa Adriana. The owners of the house, a married couple identified as (Segismunda Munoz Carrazco), 49 and (Lucho Uzuelo Ogalde Azevedo), 56, have been detained.

The arsenal was found in the couple's home at 6685 69th Street, in Santa Adriana, La Cisterna neighborhood. On raiding the house, Carabineros personnel found the following weapons: 1 M-16 automatic rifle, 1 submachinegun, 1 MK-2 pineapple type handgrenade, TNT explosives, 12 bottles of inflammable liquid, fuses, sulphur, ammunition for the weapons, 2 helmets, and subversive literature. The weapons were hidden under a counter in the shoe repair shop in the back of the house.

The Carabineros raided the house after receiving a phone call from a person whose identification has been kept secret for security reasons. With the detention of the married couple, the owners of the house, the Carabineros intend to determine the origin of the weapons.

RADIO NANDUTI DIRECTOR NOT ALLOWED TO TRAVEL

PY021502 Asuncion EL DIARIO in Spanish 2 Jun 87 p 9

[Text] Radio Nanduti director Humberto Rubin could not travel to Spain yesterday to receive the "Pablo Iglesias" medal which he has been awarded by the Chamartin Socialist Association for his radio work.

"This is the third time in a month that I have not been allowed to travel," Rubin said. He was told that he could not make the trip when he arrived at President Stroessner International Airport.

Rubin added: "I have gained experience from other attempts to travel abroad, so this time I requested Judge Tito Medina to grant me permission for the trip and went directly to the airport because I do not actually need permission to travel. I was not allowed to leave."

Rubin was scheduled to receive the medal at the Government Palace at 2100 today. His wife Gloria made the trip instead and she will receive the medal on his behalf.

CHURCH RELEASES NOTE ON POLICE REPRESSION

PY021552 Asuncion EL DIARIO in Spanish 2 Jun 87 p 22

[Text] On 1 June the Press Office of the Archbishopric of Asuncion released a communique signed by Msgr Ismael Rolon in which "he repudiates the action of the police which prevented the holding of a mass on 30 May for the souls of dead members of the MOPOCO [Popular Colorado Movement]."

The communique states that "the mass could not be held because the priest could not reach the cathedral, nor were there any faithful present... The police rigorously prevented the faithful from entering the church and they cordoned off the corners adjacent to the cathedral on orders from above."

The document states that "this police action 'on orders from above' demonstrates an unfriendly attitude and implies objections to the church and the people's Christian conscience. Article 1 of the Constitution guarantees the citizens' right to worship; Article 70 acknowledges that the Catholic religion is the official religion of Paraguay; and Law 863 acknowledges the merit of the Catholic Church for the important services it has given the people."

The communique also mentions Article 1 of Law 863 which states that "the government recognizes the legal status of the Catholic Church. The holy mass is a supreme cultural act and it is venerated by the Catholic Church. The cathedral is the mother church of all of the Archdiocese's temples and it is the pulpit of the bishops for evangelizing."

Finally, Msgr Rolon states that "these arguments are proof that it is legitimate to celebrate holy mass and it is the right of the faithful to participate. Therefore, the ecclesiastic authorities of the Metropolitan Curia express their surprise and repudiation regarding the events of 30 May. They hope that similar incidents that may crack the good relations between the church and government do not occur again."

POLICE STOP HOSPITAL DE CLINICAS MARCHERS

PY231150 Asuncion ULTIMA HORA in Spanish 22 May 87 p 13

[Text] This morning police repressed physicians, nurses, and workers of the Hospital de Clinicas as they were trying to meet with University Rector Dr Dionisio Gonzalez Torres.

The Hospital de Clinicas delegation was stopped at the intersection of Espana and Washington Streets by a police detachment armed with clubs and cattle prods. After a brief talk with delegation leaders, police charged the marchers as they were told that "on orders from the top," they could not go to the rector's office.

Dr Carlos Filizzola, president of the Hospital de Clinicas Physicians Association, asked the commander of the police detachment for permission "to see Dr Dionisio Gonzalez Torres to discuss their salary demands," adding that "we come peacefully and do not want any problems."

Police refused to grant permission and forced the marchers to enter the Sanatorio Americano, from which they were expelled by the executives of this private medical clinic.

Back on the street, the marchers began to sing protest songs, eliciting more reaction from the police, who charged them, injuring several physicians, nurses, and workers of the Hospital de Clinicas.

Dr Carlos Filizzola received the worst injuries. He was held by high-ranking police officers while lower-ranking officers viciously beat him. Protecting himself from the beating, Dr Filizzola fell to the pavement several times. He was then helped by several colleagues, who received the same mistreatment in the process. This is all deplorable.

POLICE HOLD RADIO REPORTER 'FOR INVESTIGATION'

PY271653 Asuncion HOY in Spanish 23 May 87 p 7

[Text] Dr Domingo Santacruz, a reporter for Radio Paraguay, was detained at 1430 yesterday by plainclothes policemen while on his way to work. Santacruz is being held at the Central Police Station, for "investigations into his background," according to sources of that radio station.

The reporter is a staff member of Radio Paraguay. According to his sister, Nilda Santacruz, the reporter was intercepted on his way to work by a red Ford Falcon car.

She added that three plainclothesmen got out of the car and identified themselves -- at the request of Dr Santacruz -- as members of the Asuncion Police Intelligence Department.

Santacruz' relatives are unaware of the reasons for his arrest. The explanations given by the police were that he is being held "for investigation into his background."

Reporter, Lawyer Released

PY291634 Asuncion EL DIARIO in Spanish 29 May 87 p 10

[Text] The Asuncion Central Police yesterday reported to the Supreme Court that political leader Oscar Acuna, from Ypacarai, and lawyer Domingo Santacruz, who last week were detained for different reasons, have been set free. The police report was attached to the Habeas Corpus petition submitted by lawyers for Acuna, of the MOPOCO [Colorado Popular Movement], and Santacruz, who had reportedly been detained for promoting a publication against the Taiwanese ambassador to Asuncion.

The police did not provide any information about Taiwanese citizen Peter Johnson Ciou, a naturalized Paraguayan, who was detained last week with Santacruz.

AFP DISCONTINUES TRANSMISSIONS TO ASUNCION

PY030122 Asuncion ULTIMA HORA in Spanish 2 Jun 87 p 4

[Text] The AGENCE FRANCE-PRESSE [AFP], one of the world's leading news agencies with a large infrastructure on the five continents, on 1 June discontinued its operations in our country.

According to AFP officials, the agency -- whose numerous reports were published in our newspaper -- can no longer transmit to Asuncion because of the high cost of telecommunications services.

The Paris-headquartered French news agency registered a considerable deficit in 1986. This prompted a detailed study of some reductions in its services, in order to reduce its high operational costs.

This is one of the reasons for the AFP decision to discontinue its services to Asuncion. In addition, there is also the last readjustment that the National Telecommunications Administration (ANTELCO) imposed on international agencies operating in our country.

AFP correspondent in Asuncion Hugo Ruiz Olazar told ULTIMA HORA that a final decision on the matter may be known in 3 months.

"The transmission of news to Asuncion has been suspended, but the correspondents' office will not be closed. We will regularly transmit the most outstanding news originating in our country. It is a pity, but this is the decision made by the agency's headquarters in Paris," he said.

Ruiz Olazar added: "It has been said that a new communications satellite will begin beaming broadcasts to Latin America in 3 months and that AFP could use it to resume its transmissions to Asuncion. But we will see whether that actually happens."

AFP was one of the first agencies to begin transmitting to our country, which is why its closing came as a surprise. We deplore the decision of AFP.

SANGUINETTI'S POWER DECLINES DUE TO INFIGHTING

PY030027 Montevideo LA DEMOCRACIA in Spanish 15 May 87 p 10

[Excerpts] Infighting within the Colorado Party due to the emergence of presidential candidates and to the search for political support in the 1989 elections is causing something that is not yet clearly visible but will soon become more obvious: the dwindling personal political influence of Julio Maria Sanguinetti over his political party and the transfer of the decisionmaking process to centers of power more attuned to the electoral ambitions of candidates than to the needs of the government.

Such a state of affairs is typical of pre-electoral periods when the growing activity of the presidential hopefuls casts a pall over the outgoing president. However, since the present government has barely been in power for 2 years, the premature loss of the president's political influence seems to indicate that something unusual is happening.

During the 1984 pre-electoral campaign, Sanguinetti was the unifying element of the different factions of List 15 itself (Unity and Reform) and of the unit of List 15 with other branches of United Batllism, especially List 85 (Freedom and Change) and List 89 (Independent Batllism Movement). Sanguinetti did not face strong opposition from Pacheco Areco's faction either. This made it possible for the Colorado Party to campaign without its various factions attacking each other.

Until not long ago the Batllista legislators acted like a disciplined army in which each one dutifully carried out the mission entrusted to him. As a consequence, the Colorado bloc voted united in favor of whatever Sanguinetti believed should be approved and opposed everything that did not have the President's blessing. Batllista ministers, reliable officials, senators, and deputies also took advantage of every opportunity that surfaced to mention the government's achievements and to praise everything Sanguinetti was doing. Suddenly, however, some leaders started talking abut what should be done, which is almost as good as talking about what is not done. And there is not much difference between talking about what is not done and talking about what is being done wrong.

According to the Constitution, Sanguinetti cannot be reelected. To continue praising him unconditionally no longer benefits those sectors that need to grow, to define their own profile, and to try to win from their own trenches the vote of those who support Sanguinetti but who later will have no one to support. [passage omitted]

Colorado Party leaders have started to have their own ideas. They no longer endorse Sanguinetti's ideas. They modify and adapt them to their needs so they can fly on their own. It seems that the various sectors of the Colorado Party have adopted a pre-electoral campaign attitude and that Sanguinetti's figure will fade away prematurely.

Of course, this will only be temporary. When the time comes the president will once again become the red flag for 1994 and his figure will again appear. It is very likely that the current situation will not prevent him, in the long term, from fulfilling his dream of becoming the unquestioned leader of the Colorado Party. But, in the near future, the splitting up of a party, the infighting, and a dwindling presidential influence could make the government even less operational than over the last 2 years. Sanguinetti does not even need the opposition to make life difficult for him; for that he has his own party.